



Summary Plan Description of Continuation Coverage Rights Under COBRA and PEBB Rules

The following information about your right to continue health care coverage is important. Please read it very carefully.

PEBB contact information

You may obtain information about PEBB eligibility and COBRA and other continuation coverage from:

Mailing address

Health Care Authority
PEBB Benefit Services
P.O. Box 42684
Olympia, WA 98504-2684

Street address

Health Care Authority
PEBB Benefit Services
676 Woodland Square Loop SE
Lacey, WA 98503

Phone: 1-800-200-1004 or 360-412-4200

PEBB Web site: **www.pebb.hca.wa.gov**

To obtain this document in another format (such as Braille or audio), call our Americans with Disabilities Act (ADA) Coordinator at 360-923-2805. TTY users (deaf, hard of hearing, or speech impaired), call 360-923-2701 or toll-free 1-888-923-5622.

You may find the Public Employees Benefits Board's existing laws in chapter 41.05 of the Revised Code of Washington (RCW), and rules in chapters 182-04, 182-08, 182-12, 182-13, and 182-16 of the Washington Administrative Code (WAC). These are available on the Office of the Code Reviser's Web site at **slc.leg.wa.gov**.

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I. Introduction

Simply put, continuation coverage is available to a PEBB enrollee (employee or dependent) who loses PEBB medical or dental coverage if certain events (called “qualifying events”) occur that terminate those coverages. Eligible enrollees may elect to continue medical, dental, or both for a limited time on a self-pay basis.

“You” in this document refers to each PEBB enrollee who is or may become eligible for COBRA, PEBB Extension of Coverage, LWOP coverage, or PEBB-sponsored retiree coverage.

There are four continuation coverage options you may be eligible for as a Public Employees Benefits Board (PEBB) enrollee:

- The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)
- PEBB Extension of Coverage
- Leave Without Pay (LWOP) coverage
- PEBB-sponsored retiree coverage

The first three options above temporarily extend group health coverage if certain circumstances occur that would otherwise end your or your dependents’ PEBB medical and dental coverage. COBRA continuation coverage is governed by eligibility and administrative requirements in federal law and regulation. PEBB Extension of Coverage is an alternative created for PEBB enrollees who are not eligible for COBRA. LWOP coverage is an alternative that may be appropriate in specific situations.

The fourth option above is only available to individuals who meet eligibility criteria defined in Washington Administrative Code (WAC) 182-12-171, or surviving dependents who meet eligibility criteria defined in WAC 182-12-250 or 182-12-265.

All four options are administered by the Health Care Authority (HCA).

Each continuation coverage option is summarized below:

- If you are enrolled in PEBB health coverage and are a “qualified beneficiary” under federal law, and have a “qualifying event,” you may be eligible to continue your medical and/or dental coverage under **COBRA**. (See [section II](#).)
- If you are enrolled in PEBB health coverage and are not a qualified beneficiary, and have a qualifying event, you will not be eligible for COBRA but may be eligible to continue your medical and/or dental coverage under **PEBB Extension of Coverage**. People who are not qualified beneficiaries under COBRA law include qualified same-sex domestic partners, children of qualified same-sex domestic partners, COBRA beneficiaries who become entitled to Medicare, and retirees and dependents of retirees who cease to be eligible for PEBB-sponsored retiree coverage. (See [section III](#).)
- If you are an employee who will lose your PEBB coverage because you are on authorized leave without pay from your agency, are laid off due to a reduction in force, are receiving time-loss benefits under workers’ compensation, are applying for disability retirement, have been called to active military duty, are on approved educational leave, or are a part-time faculty or a reversion employee, you may be entitled to **LWOP coverage**. LWOP coverage allows you and your eligible dependents to continue medical, dental, and life insurance for at least 18 months (and in some instances, 29 months) as set forth in PEBB rules. See WAC 182-12-133(1) and (2), 182-12-141, and 182-12-148. **Note:** In the case of approved educational leave, you may be entitled to continue long-term disability coverage as well. (See [section IV](#).)
- If you are an employee who will lose your PEBB coverage because you are retiring, and meet PEBB eligibility criteria defined in WAC

182-12-171, you and your eligible dependents may be entitled to elect **PEBB-sponsored retiree coverage** to continue medical and dental coverage. You may also be entitled to enroll in PEBB-sponsored retiree term life insurance. (See section V.)

- If you are a spouse or eligible dependent of an emergency service employee killed in the line of duty as defined in WAC 182-12-250, you may be entitled to elect **PEBB-sponsored retiree coverage**. (See section V.)

Note: Life, long-term disability, or any other coverage offered by your employer cannot be continued through COBRA or PEBB Extension of Coverage. **This document is not intended to expand your rights beyond COBRA's requirements, except as to any rights you may have to PEBB Extension of Coverage, LWOP coverage, or PEBB-sponsored retiree coverage.**

For information about your rights and obligations under COBRA, PEBB Extension of Coverage, LWOP coverage, PEBB-sponsored retiree coverage, or under state or federal law—or if you do not know whether you are a qualified beneficiary under COBRA at the time you lose PEBB health coverage—contact PEBB Benefit Services at 1-800-200-1004.

II. COBRA

This section generally explains COBRA coverage, when it may be available to you and your family, and what you need to do to protect the right to receive it.

A. What is COBRA coverage?

COBRA coverage is a temporary continuation of PEBB group health coverage. It is available to “qualified beneficiaries” when PEBB coverage would otherwise end because of a life event known as a “qualifying event.”

The right to COBRA coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA coverage may be available to you when you would otherwise lose your PEBB group health coverage. It may also be available to your spouse and dependent children, if they are covered under PEBB group health coverage when they would otherwise lose their PEBB coverage.

PEBB offers two types of health coverage, medical and dental. At the time of a qualifying event, you may be enrolled in one or both of these types of coverage. COBRA (and the description of COBRA coverage contained in this document) applies only to the medical and dental coverage offered by PEBB and not to any other coverage. **The description of COBRA in this document is not intended to expand your rights beyond COBRA’s requirements.**

B. COBRA continuation coverage may be available to qualified beneficiaries

After a qualifying event occurs and you notify PEBB Benefit Services, COBRA coverage must be offered to each person losing PEBB coverage who is a qualified beneficiary.

You, your spouse, and your dependent child(ren) could be qualified beneficiaries and would be entitled to elect COBRA continuation coverage if PEBB coverage is lost because of a qualifying event.

Certain newborns, newly adopted children, and alternate recipients under Qualified Medical Child Support Orders (QMCSOs) may also be qualified beneficiaries. This is discussed in the “Other individuals who may be qualified beneficiaries” section.

C. COBRA coverage is the same as coverage available to other PEBB enrollees or beneficiaries

COBRA coverage is the same medical and dental coverage available to other PEBB enrollees or beneficiaries, including (for example) benefits, copayments, deductibles, and choice of health plans. Each qualified beneficiary who elects COBRA coverage will have the same rights as PEBB enrollees or beneficiaries, including open enrollment and special enrollment rights.

Qualified beneficiaries who elect COBRA coverage must self-pay for the coverage.

Additional information about your PEBB medical and dental options is available in other portions of this document.

D. Who is entitled to elect COBRA?

(1) COBRA qualifying events for the covered employee

If you are an employee, you will be entitled to elect COBRA to continue your PEBB medical and dental coverage if you lose your coverage because either one of the following qualifying events happens:

- Your hours of employment are reduced; or
- Your employment ends for any reason other than your gross misconduct.

(2) Qualifying events for the covered spouse

If you are the covered spouse of an employee, you will be entitled to elect COBRA if you lose your PEBB coverage because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct; or
- You become divorced or legally separated from your spouse. Also, if your spouse (the employee or retiree) reduces or eliminates your PEBB medical or dental coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce or separation.

(3) Qualifying events for dependent children

If you are the dependent child of an employee, you will be entitled to elect COBRA if you lose your PEBB coverage because any of the following qualifying events happens:

- Your parent (employee or retiree) dies;
- Your parent's (the employee's) hours of employment are reduced;
- Your parent's (the employee's) employment ends for any reason other than his or her gross misconduct; or
- You stop being eligible for PEBB coverage as a dependent child. (See WAC 182-12-260(3), (4), and (5).)

(4) Electing COBRA continuation coverage after taking leave under the Family and Medical Leave Act (FMLA)

If an employee takes FMLA leave and does not return to work at the end of the leave, the employee (and the employee's spouse and dependent children, if any) will be entitled to elect COBRA if:

- (a) They had PEBB coverage on the day before the FMLA leave began (or became covered during the FMLA leave); and

- (b) They will lose PEBB coverage within 18 months because of the employee's failure to return to work at the end of the leave.

This means that some individuals may be entitled to elect COBRA at the end of an FMLA leave, even if they were not covered under PEBB coverage during the leave.

In these circumstances, COBRA coverage will begin on the last day of the FMLA leave, with the same 18-month maximum coverage period (subject to extension or early termination) generally applicable to the COBRA qualifying events of termination of employment and reduction of hours. (See the "Length of continuation coverage" section.)

Contact PEBB Benefit Services promptly after qualifying for TAA or ATAA, or you will lose the right to elect COBRA during a special second election period.

(5) Special second election period for certain eligible employees who did not elect COBRA

Special COBRA rights apply to certain employees and former employees who are eligible for federal trade adjustment assistance (TAA) or alternative trade adjustment assistance (ATAA). These individuals are entitled to a second opportunity to elect COBRA for themselves and certain family members (if they did not already elect COBRA) during a special second election period.

- This special second election period lasts for 60 days (or less).
- It is the 60-day period beginning on the first day of the month in which an eligible employee or former employee becomes eligible for TAA or ATAA, but only if the election is made within the six months immediately after the individual's group health coverage ended.
- If you are an employee or former employee and you qualify (or may qualify) for TAA or ATAA, contact PEBB Benefit Services.

III. PEBB Extension of Coverage

The following paragraphs generally explain PEBB Extension of Coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.

A. What is PEBB Extension of Coverage?

PEBB Extension of Coverage is a temporary extension of PEBB group health coverage. The right to PEBB Extension of Coverage is set forth in PEBB rule and can be found in WAC 182-12-111(4)(g) and 182-12-270(3).

PEBB Extension of Coverage can become available to you and your dependents when you would otherwise lose your PEBB group health coverage.

PEBB Extension of Coverage includes two types of health coverage, medical and dental. You may be enrolled in one or both of these types of coverage at the time of your qualifying event. PEBB Extension of Coverage (and the description of continuation coverage contained in this document) applies only to the medical and dental coverage offered by PEBB, and not to any other coverage. **The description of continuation coverage in this document is not intended to expand your rights beyond what is required by PEBB rule, state law, or federal law.**

B. PEBB Extension of Coverage may be available to those not eligible for COBRA coverage

PEBB Extension of Coverage offers continuation of PEBB coverage to PEBB enrollees who are not eligible for federal COBRA coverage.

To be eligible for PEBB Extension of Coverage, certain additional PEBB eligibility requirements set forth in Chapter 182-12 of WAC must be met.

Specific qualifying events are listed below in “Who is entitled to elect PEBB Extension of Coverage?”

PEBB Extension of Coverage may be available to retirees and retiree dependents who cease to be eligible for PEBB-sponsored retiree coverage, and qualified same-sex domestic partners and their children who are not qualified beneficiaries under federal law, as defined in WAC 182-12-111(4)(g) and 182-12-270(3). COBRA enrollees who become entitled to Medicare are not qualified beneficiaries under federal law; however, PEBB Extension of Coverage may also be available to them.

To preserve your rights for this coverage, you must meet the eligibility, notice, and procedure requirements described in this document for PEBB Extension of Coverage.

C. Who is entitled to elect PEBB Extension of Coverage?

(1) Qualifying events for the covered retiree

If you are a retiree who is no longer eligible for PEBB-sponsored retiree coverage, you and your dependents may be entitled to elect 18 months (subject to extension or early termination) of

PEBB Extension of Coverage if you lose your PEBB medical or dental coverage because either one of the following events happens:

- Your employer group terminates PEBB plan participation; or
- You are determined no longer disabled by the Department of Retirement Systems and stop receiving a retirement pension.

(2) Qualifying events for qualified same-sex domestic partners and their child(ren)

If you are an employee's or retiree's covered same-sex domestic partner, or the covered dependent child of a same-sex domestic partner, you may be entitled to elect 36 months (subject to early termination) of PEBB Extension of Coverage if you lose your PEBB coverage because any of the following qualifying events happens:

- The employee or retiree dies, and you do not qualify for surviving dependent coverage as defined in WAC 182-12-265;
- The employee's hours of employment are reduced;
- The employee's employment ends for any reason other than his or her gross misconduct;
- The qualified same-sex domestic partnership is dissolved; or
- As a dependent child of a qualified same-sex domestic partner, you are no longer eligible for PEBB coverage as a dependent child as defined in WAC 182-12-260(3), (4), or (5).

(3) COBRA enrollees who become entitled to Medicare

If you are a COBRA enrollee, you will be entitled to PEBB Extension of Coverage if your COBRA coverage terminated early because you became entitled to Medicare.

IV. Leave Without Pay (LWOP)

A. What is LWOP coverage?

LWOP coverage is alternative COBRA coverage that offers a temporary extension of PEBB group health coverage. It is considered an alternative to COBRA because it meets the federal COBRA requirements.

B. What factors should be considered in choosing LWOP coverage?

You and each of your covered dependents (if any) have the right to elect COBRA coverage instead of LWOP coverage. In making this decision, you and your dependents should consider the following:

Individuals enrolled in Medicare Parts A and B should consider whether a lower Medicare monthly premium under COBRA may be more desirable than the ability to have coverage for 29 months or keep life insurance and long-term disability coverage under LWOP coverage.

	COBRA	LWOP coverage
Coverage available	Medical and dental	Medical, dental, life, and long-term disability
Administrative fee	2% administrative fee added to COBRA monthly premium (as provided for by federal law)	None
Lower Medicare monthly premium for those enrolled in Parts A and B	Yes	No
Eligibility	You and each of your covered dependents who are COBRA qualified beneficiaries have the right to make separate elections.	If you are eligible for LWOP coverage, you and each of your covered dependents have the right to make separate elections for either COBRA or LWOP coverage.
Continuation coverage period	Generally 18 months (extended if there is a second qualifying event or disability)	29 months for employees on LWOP, and 18 months for part-time faculty and employees who revert (extended if there is a second qualifying event or disability)

Note: The number of months enrolled under LWOP coverage will count toward the total months of continuation coverage allowed under COBRA.

C. Who is entitled to elect LWOP coverage?

If you are an employee who will lose your PEBB coverage because of one of the following events, you may be entitled to elect LWOP coverage to continue PEBB medical, dental, or life insurance coverage (and in the case of approved educational leave, long-term disability coverage) for you and your covered dependents for 29 months as set forth in PEBB rules (see WAC 182-12-133(1)) and described below:

- You are on an authorized leave without pay from your agency;
- You are laid off because of a reduction in force (RIF);
- You are receiving time-loss benefits under workers' compensation;
- You are applying for disability retirement;
- You are called to active military duty (employees called to active military duty may only continue life insurance for 12 months); or
- You are on approved educational leave (employees on educational leave may continue long-term disability for a maximum of 24 months).

(1) Part-time faculty and employees who revert

If you are an employee who will lose your PEBB coverage because of one of the following events, you may be entitled to elect LWOP coverage to continue your PEBB medical, dental, and life insurance coverage for you and your covered dependents for 18 months as set forth in PEBB rules and described below:

- You are a part-time faculty member between periods of eligibility (see WAC 182-12-133(2)); or
- You are an employee who reverted and are not eligible for employer-sponsored benefits (see WAC 182-12-141).

(2) Dismissed employees appealing dismissal

If you are an employee who will lose your PEBB coverage because of a dismissal, you may be entitled to elect LWOP coverage to continue your PEBB medical, dental, and life insurance coverage. LWOP coverage may be available for you and your covered dependents for a maximum of 18 months or until the end of the month in which a decision is reached on your appeal of the dismissal and premiums have been paid, whichever is earlier (see WAC 182-12-148).

V. PEBB-sponsored retiree coverage

A. What is PEBB-sponsored retiree coverage?

PEBB-sponsored retiree coverage is an alternative to COBRA coverage that offers an extension of PEBB group health coverage. It is considered an alternative to COBRA because it meets the federal COBRA requirements.

You and each of your covered dependents (if any) have the right to elect COBRA coverage instead of PEBB-sponsored retiree coverage. In making this decision, you and your dependents should consider these factors:

	COBRA	Retiree coverage
Coverage available	Medical and dental	Medical, dental, retiree term life insurance
Administrative fee	2% administrative fee added to COBRA monthly premium (as provided for by federal law)	None
Lower Medicare monthly premium for those enrolled in Parts A and B	Yes	Yes (subsidized premium rate)
Eligibility	You and each of your covered dependents who are COBRA qualified beneficiaries have the right to make separate elections.	If you are eligible for retiree coverage, you and each of your covered dependents have the right to make separate elections for COBRA. You have the right to elect retiree coverage for you and your eligible dependents.
Continuation coverage period	Generally 18 months (extended if there is a second qualifying event or disability)	Lifetime coverage is available for the retiree and retiree's spouse or qualified same-sex domestic partner as long as premiums are paid on time. Dependent children are eligible as long as they meet the definition of dependent as set forth in rule.

Note: Retirees who elect COBRA may later enroll in PEBB-sponsored retiree coverage if eligible as defined in WAC 182-12-171(1)(b).

B. Who is entitled to elect PEBB-sponsored retiree coverage?

(1) Employees

If you are an eligible employee who terminates your PEBB coverage after becoming vested in a Washington state-sponsored retirement system, and you are eligible as defined in PEBB rules (see WAC 182-12-171), you may be entitled to elect PEBB-sponsored retiree coverage to continue PEBB medical and dental coverage for you and your eligible dependents. You may also be entitled to elect enrollment in PEBB-sponsored retiree term life insurance.

(2) Dependents

If you are a spouse or eligible dependent child of an emergency service employee killed in the line of duty, you may be entitled to elect PEBB-sponsored retiree coverage (see WAC 182-12-250).

If you are the spouse, qualified same-sex domestic partner, or eligible dependent child of an eligible employee or retiree, you may be entitled to elect PEBB-sponsored retiree coverage (see WAC 182-12-265).

VI. Administration of COBRA, PEBB Extension of Coverage, LWOP coverage, and PEBB-sponsored retiree coverage

Be careful not to confuse references to “your employer” with the Health Care Authority (HCA). Generally, your employer means your employing agency, employer group, K-12 school district, or educational service district.

No COBRA or other continuation coverage election will be available unless you follow the PEBB notice procedures and meet the notice deadline.

The following administration requirements are the same for all options. The term “continuation coverage” refers to any option a qualified beneficiary may be eligible for.

A. When is COBRA or other continuation coverage available?

The appropriate continuation coverage will be offered to qualified beneficiaries only after PEBB Benefit Services has been notified that a qualifying event has occurred.

Your employer must notify PEBB Benefit Services when any of these qualifying events occurs:

- The employee’s employment ends;
- The employee’s hours of employment are reduced; or
- The death of the employee.

You must notify PEBB Benefit Services of other qualifying events, such as:

- Divorce, legal separation, or dissolution of a qualified same-sex domestic partnership; or
- When a dependent child loses eligibility for PEBB coverage.

This notice must be made in writing within **60 days** after the latter of (a) the date of the qualifying event; or (b) the date the qualified beneficiary loses (or would lose) coverage under PEBB rules as a result of the qualifying event, as defined in chapter 182-12 WAC.

In providing this notice, you must use the *Notice of Qualifying Event (Form and Notice Procedures)* form, and follow procedures shown in the “Procedures for Notice of Qualifying Event” beginning on page 27 of this document. (You may obtain this form from PEBB Benefit Services.) If these procedures are not followed, or if the notice is not provided in writing to PEBB Benefit Services within 60 days, **you will lose your right to elect COBRA or other continuation coverage.**

B. Electing COBRA or other continuation coverage

(1) How to elect COBRA or other continuation coverage

To elect COBRA or other continuation coverage, you must complete the appropriate PEBB form in the *Continuation of Coverage Election Notice* and submit it to PEBB Benefit Services. This election notice will be provided to qualified beneficiaries at the time of a qualifying event. You may also obtain the election notice from PEBB Benefit Services.

Under federal law, you have 60 days after the date the *Continuation of Coverage Election Notice* is provided to you to decide whether you want to elect COBRA.

The PEBB election form must be completed and mailed or hand-delivered to PEBB Benefit Services at the address shown on the following page.

Oral communications (in person or by telephone) and electronic communications (including e-mail and fax) are **not** acceptable methods of elections and will **not** preserve your COBRA or other continuation coverage rights.

Mailing address

Health Care Authority
PEBB Benefit Services
P.O. Box 42684
Olympia, WA 98504-2684

**Street address
(for hand deliveries)**

Health Care Authority
PEBB Benefit Services
676 Woodland Square Loop SE
Lacey, WA 98503

(2) Deadline

Your mailed election must be postmarked (or your hand-delivered election must be received by PEBB Benefit Services) no later than 60 days after the date the COBRA or other continuation coverage election notice is provided to you at the time of your qualifying event. **If you do not submit a completed PEBB election form by this due date, you will lose your right to elect COBRA or other continuation coverage.**

(3) If you reject COBRA or other continuation coverage

If you reject COBRA or other continuation coverage before the due date, you may change your mind as long as you return a completed election form **before the due date**.

(4) Premium payment is due later, not with the election form

You do not have to send any payment with your election form when you elect COBRA or other continuation coverage.

Note: Important additional information about payment for COBRA or other continuation coverage begins on page 23 of this document.

(5) Independent election rights

Each qualified beneficiary will have an independent right to elect COBRA or other continuation coverage. For example:

- The employee's spouse may elect continuation coverage, even if the employee does not.
- Continuation coverage may be elected for only one, several, or all dependent children who are qualified beneficiaries.
- Covered employees and spouses (if the spouse is a qualified beneficiary) may elect continuation coverage on behalf of all of the qualified beneficiaries, and parents may elect continuation coverage on behalf of their eligible children.

Any qualified beneficiary for whom continuation coverage is not elected within the 60-day period specified in the PEBB election notice will lose his or her right to elect COBRA and all other continuation coverage options.

(6) Medicare entitlement

When you complete the PEBB election form, you must notify PEBB Benefit Services if any qualified beneficiary has become

Notify PEBB Benefit Services if a qualified beneficiary is entitled to Medicare before electing COBRA or any other continuation coverage.

entitled to Medicare (Part A, Part B, or both), and if so, the date of Medicare entitlement.

If you become entitled to Medicare (or first learn that you are entitled to Medicare) after submitting the PEBB election form, immediately notify PEBB Benefit Services of the date of your Medicare entitlement at the address specified for delivery of the PEBB election form.

(7) Which coverages may be elected?

Qualified beneficiaries may be enrolled in PEBB medical and/or dental coverage at the time of a qualifying event. If a qualified beneficiary is entitled to COBRA election as the result of a qualifying event, he or she may elect COBRA medical and/or dental coverage from the plan(s) he or she was covered under on the day before the qualifying event. (For example, if a qualified beneficiary had medical and dental coverage on the day before a qualifying event, he or she may elect COBRA dental coverage only, medical coverage only, or both medical and dental.)

Beneficiaries who are not qualified under federal COBRA law may be able to elect PEBB Extension of Coverage as a result of the qualifying event. If a beneficiary is entitled to PEBB Extension of Coverage, he or she may elect PEBB medical and/or dental coverage from the plan(s) he or she was covered under on the day before the qualifying event.

(8) Is COBRA or other continuation coverage available if a qualified beneficiary has other plan coverage?

People who are entitled to elect COBRA or other continuation coverage may do so even if they have other group health coverage or are entitled to Medicare on or before the date continuation coverage is elected. However, as discussed in more detail below, a beneficiary's continuation coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare. A beneficiary's continuation coverage will also end early if, after electing COBRA or PEBB Extension of Coverage, he or she becomes covered under other group health coverage (but only after any applicable preexisting condition exclusion periods of that other plan have been exhausted or satisfied). See "Termination of COBRA or other continuation coverage options before the end of the maximum coverage period."

C. Special considerations in deciding whether to elect COBRA or other continuation coverage

In considering whether to elect COBRA, you should take into account that a failure to properly elect COBRA will affect your future rights under federal law. The same future rights apply under state law or rule for other continuation coverage options described in this document. If you fail to properly elect COBRA, you will lose the right to:

- Avoid having preexisting condition exclusions applied to you by other group health plans if you have more than a 63-day

gap in health coverage (election of continuation coverage may help you not have such a gap);

- The guaranteed right to purchase individual health insurance policies that do not impose such preexisting condition exclusions if you do not elect continuation coverage for the maximum time available to you; and
- Special enrollment rights under federal law, such as:
 - You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your PEBB group health coverage ends because of a qualifying event.
 - You will also have the same special enrollment right at the end of COBRA coverage if you elect COBRA coverage for the maximum time available to you.

D. Length of continuation coverage

COBRA, PEBB Extension of Coverage, and LWOP coverage provide a temporary continuation of coverage. The periods described below are maximum coverage periods. Coverage can end before the end of the maximum coverage period for several reasons, which are described in the section titled "Termination of COBRA and other continuation coverage options before the end of the maximum coverage period."

(1) When the qualifying event is death, divorce, legal separation, dissolution of a qualified same-sex domestic partnership, or child's loss of dependent status

- When PEBB coverage is lost due to the death of the employee, the covered employee's divorce or legal separation, or a dependent child stops being eligible (as defined in WAC 182-12-260), COBRA coverage can last up to 36 months.
- When PEBB coverage is lost due to the death of the employee, the covered employee's dissolution of a qualified same-sex domestic partnership, or a dependent child of a qualified same-sex domestic partnership stops being eligible (as defined in WAC 182-12-160), PEBB Extension of Coverage can last up to 36 months.

(2) When the qualifying event is death of an employee or retiree

Surviving dependents who meet PEBB eligibility (as set forth in WAC 182-12-250 and 182-12-265) may be eligible to continue coverage under PEBB-sponsored retiree coverage for the maximum period described below:

- The spouse or qualified same-sex domestic partner may continue coverage until death.
- The dependent children may continue coverage until they are no longer eligible (as defined in WAC 182-12-260).

(3) *When the covered employee becomes entitled to Medicare within 18 months before his or her termination of employment or reduction of hours*

When PEBB coverage is lost due to the end of employment or reduction of the employee's hours, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, continuation coverage for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can last up to 36 months after the date of Medicare entitlement.

For example, if a covered employee becomes entitled to Medicare eight months before the date employment terminates, continuation coverage for the spouse and children who lost coverage as a result of termination of employment can last up to 36 months after the date of Medicare entitlement. This equals 28 months after the date of the qualifying event (36 months minus eight months).

This continuation coverage period is available only if the covered employee becomes entitled to Medicare within 18 months **before** termination of employment or reduction of hours.

(4) *When the qualifying event is a termination of employment or reduction of hours*

When PEBB coverage is lost due to the end of employment or reduction of the employee's hours, continuation coverage generally can last for up to 18 months subject to other provisions in this booklet.

(5) *Limited right to a maximum of 29 months for employees on approved LWOP*

When PEBB coverage is lost because of one of the following events, continuation coverage generally can last for a maximum of 29 months as set forth in WAC 182-12-133(1) and described below:

- You are on an authorized leave without pay from your agency;
- You are laid off because of a reduction in force (RIF);
- You are receiving time-loss benefits under workers' compensation;
- You are applying for disability retirement;
- You are called to active military duty (employees called to active military duty may only continue PEBB life insurance for 12 months); or
- You are on approved educational leave (employees on educational leave may continue long-term disability for a maximum of 24 months).

(6) *Limited right to an extension of the COBRA or LWOP coverage period*

An extension of the maximum 18-month period of continuation coverage available under COBRA or LWOP coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs.

You must notify PEBB Benefit Services of a disability or a second qualifying event to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event will eliminate the right to extend the period of continuation coverage. These extension opportunities do **not** apply to continuation coverage resulting from a covered employee's death, divorce or legal separation, dissolution of a qualified same-sex domestic partnership, or a dependent child's loss of eligibility.

(a) *Disability extension of COBRA, PEBB Extension of Coverage, or LWOP coverage*

If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify PEBB Benefit Services in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of continuation coverage, for a total of 29 months. Terminated employees, employees whose hours have been reduced, part-time faculty between periods of employment, and reverted employees may have a limited right to an extension of coverage.

The disability must have started before the 61st day after the covered employee's termination of employment or reduction of hours, and must last at least until the end of the continuation coverage period available without the disability extension (generally 18 months, as described above). Each qualified beneficiary will be entitled to the disability extension if one of them qualifies.

The disability extension is available only if you notify PEBB Benefit Services in writing within **60 days** after the latter of:

- The date of the Social Security Administration's disability determination;
- The date of the covered employee's termination of employment or reduction of hours; or
- The date the qualified beneficiary loses (or would lose) coverage under PEBB rules as a result of the covered employee's termination of employment or reduction of hours.

To elect a disability extension, you must use the *Notice of Disability (Form and Notice Procedures)* form (available from PEBB Benefit Services) and follow the procedures specified

If these procedures are not followed or if notice is not provided in writing to PEBB Benefit Services during the 60-day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, then there will be no disability extension of COBRA coverage.

If these procedures are not followed, or if the notice is not provided in writing to PEBB Benefit Services during the 60-day notice period, then there will be no extension of coverage due to a second qualifying event.

in the “Procedures for Notice of Disability” section of this document.

(b) Second qualifying-event extension of COBRA, PEBB Extension of Coverage, or LWOP coverage

An extension of COBRA, PEBB Extension of Coverage, or LWOP coverage may be available to spouses, qualified same-sex domestic partners, and dependent children who are receiving continuation coverage if a second qualifying event occurs during the 18 months (or, in the case of a disability extension or for some LWOP coverage enrollees, 29 months) following the covered employee’s termination of employment or reduction of hours. The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months.

Second qualifying events may include the death of a covered employee, divorce or legal separation, dissolution of a qualified same-sex domestic partnership, or a dependent child’s ceasing to be eligible for coverage under PEBB rules. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under PEBB rules if the first qualifying event had not occurred.

Extension of coverage due to a second qualifying event is available only if you notify PEBB Benefit Services in writing of the second qualifying event within **60 days** after the latter of:

- The date of the second qualifying event; or
- The date the qualified beneficiary would lose coverage under PEBB rules as a result of the second qualifying event (if it had occurred while the qualified beneficiary was still covered under the PEBB plan).

To elect a second qualifying-event extension, you must use the *Notice of Second Qualifying Event (Form and Notice Procedures)* form (available from PEBB Benefit Services) and follow the procedures specified in the “Notice Procedures for Notice of Second Qualifying Event” section of this document.

PEBB-sponsored retiree coverage provides indefinite coverage for eligible retirees, eligible dependents of retirees, and surviving dependents of employees, retirees, and emergency service personnel killed in the line of duty. The coverage periods described below are maximum coverage periods. Coverage can end before the end of the maximum coverage period for several reasons, as described in the “Termination of COBRA and other continuation coverage options before the end of the maximum coverage period” section.

When the qualifying event is retirement: Employees who meet PEBB eligibility may be eligible to continue coverage under PEBB-sponsored retiree coverage until death.

When the qualifying event is death of an employee or retiree: Surviving dependents who meet PEBB eligibility (as defined in WAC 182-12-265) may be eligible to continue coverage under PEBB-sponsored retiree coverage for the maximum periods described below:

- The spouse or qualified same-sex domestic partner may continue coverage until death.
- The dependent children may continue coverage until they are no longer eligible (as defined in WAC 182-12-260).

When the qualifying event is death of an emergency service employee killed in the line of duty: Surviving dependents who meet PEBB eligibility (as defined in WAC 182-12-250) may be eligible to continue coverage under PEBB-sponsored retiree coverage for the maximum periods described below:

- The spouse may continue coverage until death.
- The dependent children may continue coverage until they are no longer eligible (as defined in WAC 182-12-260).

E. Termination of COBRA and other continuation coverage options before the end of the maximum coverage period

(1) Automatic termination before the end of the maximum coverage period

COBRA and other continuation coverage options will automatically terminate before the end of the maximum period if:

- Any required premium is not paid in full on time (see “Payment for COBRA and other continuation coverage” starting on page 23);
- After electing COBRA or PEBB Extension of Coverage, a qualified beneficiary becomes covered under another group health plan (but only after any preexisting condition exclusions of that other plan have been exhausted or satisfied, and the qualified beneficiary is not continuing benefits under PEBB LWOP or retiree coverage);
- A qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing COBRA; however the qualified beneficiary will be eligible to continue coverage under the PEBB Extension of Coverage option until the end of his or her original COBRA period;
 - The employer ceases to provide any group health plan for its employees (this is particularly important for people employed by employer groups such as political subdivisions); or
- During a disability extension period, the disabled qualified beneficiary is determined by the Social Security Administration to be no longer disabled. (For more information about the disability extension period, see “Limited right to an extension of the COBRA or LWOP coverage period.”)

Continuation coverage may also be terminated for any reason coverage would terminate for any other PEBB enrollee (such as fraud).

(2) Medicare entitlement or other coverage

You must notify PEBB Benefit Services in writing within **60 days** if, after electing continuation coverage, a qualified beneficiary becomes entitled to Medicare (Part A, Part B, or both) or becomes covered under other group health coverage (but only after any preexisting condition periods of that other plan have been exhausted or satisfied).

You must use the *Notice of Other Coverage, Medicare Entitlement, or Cessation of Disability (Form and Notice Procedures)* form, and follow the procedures specified in the “Procedures for Notice of Other Coverage, Medicare Entitlement, or Cessation of Disability” section.

You may obtain a copy of this form from PEBB Benefit Services.

(3) You must notify PEBB Benefit Services if a qualified beneficiary ceases to be disabled

If a disabled qualified beneficiary is determined by the Social Security Administration to no longer be disabled, you must notify PEBB Benefit Services within **60 days** after the Social Security Administration’s determination.

You must use the *Notice of Other Coverage, Medicare Entitlement, or Cessation of Disability (Form and Notice Procedures)* form, and follow the procedures specified in the “Procedures for Notice of Other Coverage, Medicare Entitlement, or Cessation of Disability” section.

You may obtain a copy of this form from PEBB Benefit Services.

(4) Termination of COBRA, PEBB Extension of Coverage, or LWOP coverage when qualified beneficiary ceases to be disabled

If the Social Security Administration determines that the qualified beneficiary is no longer disabled, and this determination occurs during a disability extension period, COBRA coverage for all qualified beneficiaries will terminate (retroactively, if applicable) as of the first day of the month that is more than 60 days after the Social Security Administration’s determination.

You are liable for repayment of all benefits paid after the termination date, regardless of whether you provide notice to PEBB Benefit Services that the disabled qualified beneficiary is no longer disabled.

For more information about the disability extension period, see the section titled “Limited right to an extension of the COBRA or LWOP coverage period.”

F. Cost of COBRA and other continuation coverage

- (1) *Each qualified beneficiary is required to self-pay the entire cost of continuation coverage*

The amount a qualified beneficiary pays may not exceed 102 percent (or, in the case of an extension of COBRA coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for similar coverage for a participant or beneficiary who is not receiving continuation coverage.

The amount of your continuation coverage premiums may change, and will most likely increase over time. You will be notified of premium changes.

- (2) *Eligible individuals may take advantage of the Health Coverage Tax Credit (HCTC) to assist in paying COBRA premiums*

The Federal Trade Act of 2002 created a new tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who receive pension payments from the Pension Benefit Guaranty Corporation (“eligible individuals”).

Under the new tax provisions, eligible individuals can take a tax credit equal to 65% of premiums paid for qualified health insurance, including COBRA coverage.

If you have questions about these new tax provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll free at 1-866-628-4282. TTD/TTY callers may call toll free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact/2002act_index.asp.

G. Payment for COBRA and other continuation coverage

- (1) *How to make premium payments*

All continuation coverage premiums must be paid by check, electronic funds transfer, or pension deduction. Make checks payable to the Washington State Treasurer. Your first payment and all monthly payments for continuation coverage must be mailed or hand-delivered to:

Mailing address

Health Care Authority
PEBB Program
P.O. Box 34270
Seattle, WA 98124-1270

Street address

(for hand deliveries)

Health Care Authority
PEBB Program
676 Woodland Square Loop SE
Lacey, WA 98503

- (2) *When premium payments are considered to be made*

If mailed, your payment is considered to have been made on the date that it is postmarked. If hand-delivered, your payment is considered to have been made when it is received by PEBB Accounting at the address specified above. Payment will not be

If you do not make your first payment for continuation coverage in full within 45 days after the date of your election, you will lose all rights to COBRA or other PEBB continuation coverage options. There is no exception for late payment.

considered made if your check is returned due to insufficient funds or otherwise.

(3) First payment for COBRA and other continuation coverage

If you elect COBRA or other continuation coverage, you do not have to send any payment with the PEBB election form.

However, you must make your first payment for continuation coverage no later than **45 days** after the date of your election. This is the date your PEBB election form is postmarked, if mailed, or the date your PEBB election form is received by PEBB Benefit Services at the address above, if hand-delivered.

(See the section titled “Electing COBRA or other continuation coverage.”)

Your first payment must cover the cost of continuation coverage from the time your PEBB coverage would have otherwise terminated up through the end of the month prior to when you make your first payment. For example, Sue’s employment terminates on September 30, and she loses coverage on September 30. Sue elects COBRA on November 15. Her initial premium payment covers the premiums for October and November and is due on or before December 30, the 45th day after the date of her COBRA election.

You are responsible for making sure that the amount of your first payment is correct. You may contact PEBB Benefit Services to confirm the correct amount of your first payment.

Claims for reimbursement will not be processed and paid until you have elected COBRA (or other continuation coverage) and made the first payment.

(4) Monthly payments for COBRA and other continuation coverage

After you make your first payment for continuation coverage, you will be required to make monthly payments for each subsequent month of coverage.

The amount due for each month for each qualified beneficiary will be disclosed in the election notice provided to you at the time of your qualifying event.

Under PEBB, the monthly payment for continuation coverage is due on the 15th day of the month for that month’s coverage. If you make a monthly payment on or before the 15th day of the month to which it applies, your continuation coverage under the PEBB plan will continue for that month without any break.

You will not be billed for your continuation coverage premium. Depending on your payment method, you may receive periodic statements as a reminder of your responsibility to pay your premiums on time. You are responsible for timely payment of premiums, regardless of whether you receive a periodic statement. You will lose all rights to COBRA and other PEBB continuation coverage if you fail to abide by the provisions in this section G.

If you fail to make a monthly payment before the end of the grace period, you will lose all rights to COBRA or other PEBB continuation coverage. No exceptions will be made for payments received after the end of the grace period.

(5) Grace periods for monthly COBRA or other continuation coverage premium payments

Although monthly payments are due on the 15th day of each month of continuation coverage, you will be given a grace period of 30 days to make each monthly payment. Your COBRA or other continuation coverage will be provided for each month as long as payment for that month is made before the end of the grace period.

H. Other individuals who may be qualified beneficiaries

(1) Children born to or placed for adoption with the covered employee during a period of continuation coverage

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA or other continuation coverage is considered to be a qualified beneficiary, provided that the employee has elected COBRA or other continuation coverage for himself or herself.

The child's COBRA coverage begins when the child is enrolled in PEBB coverage, whether through special enrollment or open enrollment. Coverage lasts for as long as the continuation coverage for the employee's other family members.

To be enrolled in PEBB, the child must satisfy the otherwise applicable PEBB eligibility requirements (for example, regarding age). See WAC 182-12-260(3), (4), and (5).

(2) Alternate recipients under QMCSOs

A child of the covered employee who is receiving PEBB benefits pursuant to a Qualified Medical Child Support Order (QMCSO) received by PEBB Benefit Services is entitled to the same rights to elect COBRA or other continuation coverage as an eligible dependent child of the covered employee.

If you have questions

Questions concerning your PEBB eligibility or your COBRA or other continuation coverage rights should be addressed to PEBB Benefit Services.

For more information about your rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other federal laws affecting group health plans, contact the nearest regional or district office of the U. S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA Web site at www.dol.gov/ebsa. (Addresses and phone numbers of regional and district EBSA offices are available through EBSA's Web site.)

Notify PEBB Benefit Services of address changes

To protect your family's rights, you should keep PEBB Benefit Services and your employer informed of any changes in the addresses of family members. You should also keep a copy of any notices you send to the HCA for your records.

PEBB contact information

You may obtain information about PEBB eligibility and COBRA coverage from:

Mailing address

Health Care Authority
PEBB Benefit Services
P.O. Box 42684
Olympia, WA 98504-2684

Street address

Health Care Authority
PEBB Benefit Services
676 Woodland Square Loop SE
Lacey, WA 98503

Phone: 1-800-200-1004 or 360-412-4200

The contact information for the HCA/PEBB Benefit Services may change from time to time. The most recent information will be included in the current version of this document. (If you are not sure whether this is the most recent version, you may request one from PEBB Benefit Services.)

You can also find more information about PEBB online at **www.pebb.hca.wa.gov**.

Notice procedures for COBRA, PEBB Extension of Coverage, and other options

Procedures for Notice of Qualifying Event

Deadline

The deadline for providing this notice is **60 days** after the latter of: (1) the qualifying event (i.e., divorce, legal separation, dissolution of a qualified same-sex domestic partnership, or a child's loss of dependent status); or (2) the date the covered spouse, qualified same-sex domestic partner, or dependent child would lose PEBB coverage as a result of the qualifying event.

How to provide notice

Your notice **must** be in writing (using the PEBB form) and either mailed or hand-delivered. Oral notice (in person or by telephone) and electronic notice (fax or e-mail) is not acceptable.

If mailed, your notice must be postmarked no later than the deadline described in these procedures. If hand-delivered, your notice must be received by PEBB Benefit Services at the address below no later than the deadline described in these procedures.

Where to provide notice

Mailing address

Health Care Authority
PEBB Benefit Services
P.O. Box 42684
Olympia, WA 98504-2684

Street address (for hand deliveries)

Health Care Authority
PEBB Benefit Services
676 Woodland Square Loop SE
Lacey, WA 98503

Required form and information

You **must** use the *Notice of Qualifying Event (Form and Notice Procedures)* form to notify PEBB Benefit Services of a qualifying event (i.e., divorce, legal separation, dissolution of a qualified same-sex domestic partnership, or a child's loss of dependent status). All of the applicable items on the form must be completed. You may obtain this form from PEBB Benefit Services.

Your notice **must** contain the following information:

- The name and address of the employee or former employee who is or was covered under PEBB coverage;
- The name(s) and address(es) of all qualified beneficiary(ies) who lost coverage due to the qualifying event (divorce, legal separation, or child's loss of dependent status), or the name and address of the same-sex domestic partner or dependent child of a same-sex domestic partnership who lost coverage due to the qualifying event;
- The qualifying event (divorce, legal separation, or child's loss of dependent status);
- The date that the divorce, legal separation, dissolution of the qualified same-sex domestic partnership, or child's loss of dependent status happened; and
- The signature, name, and contact information of the individual sending the notice.

If you are notifying PEBB Benefit Services of a **divorce or legal separation**, your notice must include a copy of the decree of divorce or legal separation.

If you are notifying PEBB Benefit Services of the **dissolution of a qualified same-sex domestic partnership**, you must include the date the same-sex domestic partner ceased to meet PEBB eligibility as set forth in the *Declaration of Marriage or Same-Sex Domestic Partnership* form.

If you are notifying PEBB Benefit Services that your **PEBB coverage will be reduced or eliminated in anticipation of a divorce, legal separation, or dissolution of a qualified same-sex domestic partnership**, you must provide notice within **60 days** after the divorce, legal separation, or dissolution of a qualified same-sex domestic partnership. In addition, you must provide evidence satisfactory to PEBB

Benefit Services that your coverage was reduced or eliminated in anticipation of the divorce, legal separation, or dissolution of a qualified same-sex domestic partnership.

Incomplete notice

If you provide a written notice that does not contain all of the information and documentation required by these notice procedures, such a notice will nevertheless be considered timely only if **all** of the following conditions are met:

- The notice is mailed or hand-delivered to PEBB Benefit Services at the address specified in these notice procedures;
- The notice is provided by the deadline described in this document;
- From the written notice provided, PEBB Benefit Services is able to determine that the notice relates to PEBB coverage;
- From the written notice provided, PEBB Benefit Services is able to identify the covered employee and qualified beneficiary(ies), the qualifying event (divorce, legal separation, dissolution of a qualified same-sex domestic partnership, or child's loss of dependent status), and the date the qualifying event occurred; and
- The additional information and documentation necessary to meet PEBB requirements (as described in these notice procedures) is provided in writing within **15 business days** after a written or oral request from PEBB Benefit Services for more information (or, if later, by the deadline for the notice of qualifying event described above).

If any of these conditions are not met, the incomplete notice will be rejected and COBRA or other continuation coverage options will not be offered. If all of these conditions are met, PEBB Benefit Services will treat the notice as having been provided on time.

Who may provide notice

The employee or former employee who is or was covered under PEBB coverage, a qualified beneficiary (with respect to the qualifying event), or a representative acting on behalf of either may provide the notice. A notice provided by any of these individuals will satisfy any responsibility to provide notice on behalf of all qualified

beneficiaries who lost coverage due to the qualifying event described in the notice.

Additional evidence of the date of a child's loss of dependent status may be required

If your notice was regarding a child's loss of dependent status, and PEBB Benefit Services requests it, you **must** provide satisfactory documentation of the date of the qualifying event within **15 business days**. For example, this could include a birth certificate to establish the date that a child reached the limiting age, a marriage certificate to establish the date that a child married, or a transcript or other satisfactory evidence showing the last date of enrollment in an educational institution. This will allow PEBB Benefit Services to determine if you gave timely notice of the qualifying event, and were consequently entitled to elect COBRA or other continuation coverage.

If you do not provide satisfactory evidence within this timeframe after a written or oral request from PEBB Benefit Services, the child's continuation coverage may be terminated (retroactively if applicable) as of the date that continuation coverage would have started.

You are liable for repayment of all benefits paid after the termination date.

Procedures for Notice of Disability

Deadline

The deadline for providing this notice is **60 days** after the latter of: (1) the date of the Social Security Administration's disability determination; (2) the date of the covered employee's termination of employment or reduction of hours; or (3) the date the qualified beneficiary would lose PEBB coverage as a result of the termination of employment or reduction of hours. Your notice of disability must also be provided within **18 months** after the covered employee's termination of employment or reduction of hours.

How to provide notice

Your notice **must** be in writing (using the PEBB form) and either mailed or hand-delivered. Oral notice (in person or by telephone) and electronic notice (fax or e-mail) is not acceptable.

If mailed, your notice must be postmarked no later than the deadline described in these procedures. If hand-delivered, your notice must be received by PEBB Benefit Services at the address below no later than the deadline described in these procedures.

Where to provide notice

Mailing address

Health Care Authority
PEBB Benefit Services
P.O. Box 42684
Olympia, WA 98504-2684

Street address (for hand deliveries)

Health Care Authority
PEBB Benefit Services
676 Woodland Square Loop SE
Lacey, WA 98503

Required form and information

You **must** use the *Notice of Disability (Form and Notice Procedures)* form to notify PEBB Benefit Services of a qualified beneficiary's disability. All of the applicable items on the form must be completed. You may obtain this form from PEBB Benefit Services.

Your notice **must** contain the following information:

- The name and address of the employee or former employee who is or was covered under PEBB coverage;

- The initial qualifying event that started your continuation coverage (the covered employee's termination of employment or reduction of hours);
- The date that the covered employee's termination of employment or reduction of hours happened;
- The name(s) and address(es) of all qualified beneficiary(ies) who lost coverage due to termination of employment or reduction of hours, and who are receiving continuation coverage at the time of the notice;
- The name and address of the disabled qualified beneficiary;
- The date that the qualified beneficiary became disabled;
- The date that the Social Security Administration made its determination of disability;
- A statement as to whether or not the Social Security Administration has subsequently determined that the qualified beneficiary is no longer disabled; and
- The signature, name, and contact information of the individual sending the notice.

Your notice of disability must include a copy of the Social Security Administration's determination of disability.

Incomplete notice

If you provide a written notice that does not contain all of the information and documentation required by these notice procedures, such a notice will nevertheless be considered timely only if **all** of the following conditions are met:

- The notice is mailed or hand-delivered to PEBB Benefit Services at the address specified in these notice procedures;
- The notice is provided by the deadline described in this document;
- From the written notice provided, PEBB Benefit Services is able to determine that the notice relates to PEBB coverage and a qualified beneficiary's disability;
- From the written notice provided, PEBB Benefit Services is able to identify the covered employee and qualified beneficiary(ies), and the date the covered

employee's termination of employment or reduction of hours occurred; and

- The additional information and documentation necessary to meet PEBB requirements (as described in these notice procedures) is provided within **15 business days** after a written or oral request from PEBB Benefit Services for more information (or, if later, by the deadline for the notice of disability described above).

If any of these conditions are not met, the incomplete notice will be rejected and COBRA or other continuation coverage will not be extended. If all of these conditions are met, PEBB Benefit Services will treat the notice as having been provided on time.

Who may provide notice

The employee or former employee who is or was covered under PEBB coverage, a qualified beneficiary who lost coverage due to the covered employee's termination of employment or reduction of hours and is still receiving continuation coverage, or a representative acting on behalf of either may provide the notice. A notice provided by any of these individuals will satisfy any responsibility to provide notice on behalf of all qualified beneficiaries who may be entitled to an extension of the maximum COBRA, PEBB Extension of Coverage, or LWOP coverage period due to the disability reported in the notice.

Procedures for Notice of Second Qualifying Event

Deadline

The deadline for providing this notice is **60 days** after the latter of: (1) the date of the second qualifying event (i.e., divorce, legal separation, dissolution of a qualified same-sex domestic partnership, the covered employee's death, or a child's loss of dependent status); or (2) the date the covered spouse, qualified same-sex domestic partner, or dependent child would lose PEBB coverage as a result of the second qualifying event (if this event had occurred while the qualified beneficiary was still covered under PEBB coverage).

How to provide notice

Your notice **must** be in writing (using the PEBB form) and either mailed or hand-delivered. Oral notice (in person or by telephone) and electronic notice (fax or e-mail) is not acceptable.

If mailed, your notice must be postmarked no later than the deadline described in these procedures. If hand-delivered, your notice must be received by PEBB Benefit Services at the address below no later than the deadline described in these procedures.

Mailing address

Health Care Authority
PEBB Benefit Services
P.O. Box 42684
Olympia, WA 98504-2684

Street address (for hand deliveries)

Health Care Authority
PEBB Benefit Services
676 Woodland Square Loop SE
Lacey, WA 98503

Required form and information

You **must** use the *Notice of Second Qualifying Event (Form and Notice Procedures)* form to notify PEBB Benefit Services of a second qualifying event (i.e., a divorce, legal separation, dissolution of a qualified same-sex domestic partnership, the covered employee's death, or a child's loss of dependent status). All of the applicable items on the form must be completed. You may obtain this form from PEBB Benefit Services.

Your notice **must** contain the following information:

- The name and address of the employee or former employee who is or was covered under PEBB coverage;
- The initial qualifying event that started your continuation coverage (the covered employee's termination of employment or reduction of hours);
- The date that the covered employee's termination of employment or reduction of hours happened;
- The name(s) and address(es) of all qualified beneficiary(ies) who lost coverage due to the termination of employment or reduction of hours, and who are receiving continuation coverage at the time of the notice;
- The second qualifying event (divorce, legal separation, dissolution of a qualified same-sex domestic partnership, the covered employee's death, or a child's loss of dependent status);
- The date that the divorce, legal separation or dissolution of a qualified same-sex domestic partnership, the covered employee's death, or a child's loss of dependent status happened; and
- The signature, name, and contact information of the individual sending the notice.

If you are notifying PEBB Benefit Services of a **divorce or legal separation**, you must also include a copy of the decree of divorce or legal separation.

If you are notifying PEBB Benefit Services of the **dissolution of a qualified same-sex domestic partnership**, you must also include the date the same-sex domestic partner ceased to meet PEBB eligibility as set forth in the *Declaration of Marriage or Same-Sex Domestic Partnership* form.

Incomplete notice

If you provide a written notice that does not contain all of the information and documentation required by these notice procedures, such a notice will nevertheless be considered timely only if **all** of the following conditions are met:

- The notice is mailed or hand-delivered to PEBB Benefit Services at the address specified in these notice procedures;
- The notice is provided by the deadline described in this document;
- From the written notice provided, PEBB Benefit Services is able to determine that the notice relates to PEBB coverage;
- From the written notice provided, PEBB Benefit Services is able to identify the covered employee and qualified beneficiary(ies), the first qualifying event (the covered employee's termination of employment or reduction of hours), the date the first qualifying event occurred, the second qualifying event, and the date the second qualifying occurred; and
- The additional information and documentation necessary to meet PEBB requirements (as described in these notice procedures) is provided in writing within **15 business days** after a written or oral request from PEBB Benefit Services for more information (or, if later, by the deadline for the notice of second qualifying event described above).

If any of these conditions are not met, the incomplete notice will be rejected and COBRA or other continuation coverage will not be extended. If all of these conditions are met, PEBB Benefit Services will treat the notice as having been provided on time.

Who may provide notice

The employee or former employee who is or was covered under PEBB coverage, a qualified beneficiary who lost coverage due to the covered employee's termination of employment or reduction of hours and is still receiving COBRA or other continuation coverage, or a representative acting on behalf of either may provide the notice. A notice provided by any of these individuals will satisfy any responsibility to provide notice on behalf of all qualified beneficiaries who may be entitled to an extension

of the maximum COBRA, PEBB Extension of Coverage, or LWOP coverage period due to the second qualifying event described in the notice.

Additional evidence of the date of a child's loss of dependent status may be required

If your notice was regarding a child's loss of dependent status, and PEBB Benefit Services requests it, you **must** provide satisfactory documentation of the date of the qualifying event **within 15 business days**. For example, this could include a birth certificate to establish the date that a child reached the limiting age, a marriage certificate to establish the date that a child married, or a transcript or other satisfactory evidence showing the last date of enrollment in an educational institution. This will allow PEBB Benefit Services to determine if you gave timely notice of the second qualifying event, and were consequently entitled to an extension of continuation coverage.

If you do not provide satisfactory evidence within this timeframe after a written or oral request from PEBB Benefit Services, the child's continuation coverage may be terminated (retroactively if applicable) as of the date that COBRA or other continuation coverage would have ended without an extension due to loss of dependent status.

You are liable for repayment of all benefits paid after the termination date.

Additional evidence of the date of the covered employee's death may be required

If your notice was regarding the death of the covered employee, upon request of PEBB Benefit Services, you **must** provide satisfactory documentation of the date of death **within 15 business days** (for example, a death certificate or published obituary). This will allow PEBB Benefit Services to determine if you gave timely notice of the second qualifying event, and were consequently entitled to an extension of COBRA or other continuation coverage.

If you do not provide satisfactory evidence within this timeframe after a written or oral request from PEBB Benefit Services, the qualified beneficiaries' continuation coverage may be terminated (retroactively if applicable) as of the

date that COBRA, PEBB Extension of Coverage, or LWOP coverage would have ended without an extension due to the covered employee's death.

The HCA will require repayment to the health plan of all benefits paid after the termination date.

Procedures for Notice of Other Coverage, Medicare Entitlement, or Cessation of Disability

Deadline for notice of other coverage

If you are providing notice of other coverage (when a qualified beneficiary becomes covered under other group health coverage, after electing COBRA or PEBB Extension of Coverage), the deadline for providing this notice is **60 days** after the other coverage becomes effective or **60 days** after exhaustion or satisfaction of any preexisting condition exclusion periods for a preexisting condition of the qualified beneficiary.

Deadline for notice of Medicare entitlement

If you are providing notice of Medicare entitlement (when a qualified beneficiary becomes entitled to Medicare Part A, Part B, or both after electing COBRA, PEBB Extension of Coverage, or PEBB-sponsored retiree coverage), the deadline for providing this notice is **60 days** after the beginning of Medicare entitlement (as shown on the Medicare card).

Deadline for notice of cessation of disability

If you are providing notice of cessation of disability (when a qualified beneficiary whose disability resulted in an extended continuation coverage period is determined by the Social Security Administration to be no longer disabled), the deadline for providing this notice is **60 days** after the date of the Social Security Administration's determination.

How to provide notice of other coverage, Medicare entitlement, or cessation of disability

Your notice **must** be in writing (using the PEBB form) and either mailed or hand-delivered. Oral notice (in person or by telephone) or electronic notice (fax or e-mail) is not acceptable.

If mailed, your notice must be postmarked no later than the deadline described in these procedures. If hand-delivered, your notice must be received by PEBB Benefit Services at the address below no later than the deadline described in these procedures.

Mailing address

Health Care Authority
PEBB Benefit Services
P.O. Box 42684
Olympia, WA 98504-2684

Street address (for hand deliveries)

Health Care Authority
PEBB Benefit Services
676 Woodland Square Loop SE
Lacey, WA 98503

Required form and information

You **must** use the *Notice of Other Coverage, Medicare Entitlement, or Cessation of Disability (Form and Notice Procedures)* form to notify PEBB Benefit Services of any of these events. All of the applicable items on the form must be completed. You may obtain this form from PEBB Benefit Services.

Your notice **must** contain all of the following information:

- The name and address of the employee or former employee who is or was covered under PEBB coverage;
- The name(s) and address(es) of all qualified beneficiary(ies);
- The qualifying event that started your continuation coverage;
- The date that the qualifying event happened; and
- The signature, name, and contact information of the individual sending the notice.

Additional information required for certain notices

If you are providing notice of **other coverage**, your notice must also include:

- The name and address of the qualified beneficiary who obtained other coverage;
- The date that the other coverage became effective (and, if there were any preexisting condition exclusion periods applicable to the qualified beneficiary, the date that these were exhausted or satisfied); and
- Evidence of the effective date of the other coverage (such as a copy of the insurance card or application for coverage).

If you are providing notice of **Medicare entitlement**, your notice must also include:

- The name and address of the qualified beneficiary who became entitled to Medicare;
- The date that Medicare entitlement occurred; and
- A copy of the Medicare card showing the date of Medicare entitlement.

You are eligible for PEBB Extension of Coverage (not COBRA) if you are entitled to Medicare; however, PEBB Benefit Services requires notice of your entitlement and proof of your enrollment in Medicare Parts A and B. If you do not notify PEBB Benefit Services within **60 days** of the date of Medicare entitlement (as shown on the Medicare card), **you will lose all rights to PEBB Extension of Coverage or PEBB-sponsored retiree coverage.**

If you are providing notice of **cessation of disability**, your notice must also include:

- The name and address of the disabled qualified beneficiary;
- The date of the Social Security Administration's determination that he or she is no longer disabled; and
- A copy of the Social Security Administration's determination.

Who may provide notice

The employee or former employee who is or was covered under PEBB coverage, a qualified beneficiary (with respect to the qualifying event), or a representative acting on behalf of either may provide the notice. A notice provided by any of these individuals will satisfy any responsibility to provide notice on behalf of all related qualified beneficiaries with respect to the other coverage, Medicare entitlement, or cessation of disability reported in the notice.

COBRA coverage will terminate regardless of whether or when notice is provided

If a qualified beneficiary first becomes covered by other group health coverage after electing COBRA or PEBB Extension of Coverage, that qualified beneficiary's continuation coverage will terminate (retroactively if applicable) as described in the "Termination of COBRA and

other continuation coverage options before the end of the maximum coverage period" section, regardless of whether or when notice of other coverage is provided.

If a qualified beneficiary first becomes entitled to Medicare Part A, Part B, or both after electing COBRA, that qualified beneficiary's COBRA coverage will terminate (retroactively if applicable) as described in the "Termination of COBRA and other continuation coverage options before the end of the maximum coverage period" section, regardless of whether or when notice of Medicare entitlement is provided.

If a disabled qualified beneficiary is determined by the Social Security Administration to be no longer disabled, continuation coverage for all qualified beneficiaries whose COBRA coverage is extended due to the disability will terminate (retroactively if applicable) as described above in the "Termination of COBRA and other continuation coverage options before the end of the maximum coverage period" section, regardless of whether or when notice of cessation of disability is provided.



Washington State
Health Care Authority
Public Employees Benefits Board

www.pebb.hca.wa.gov